

NEW NY BROADBAND PROGRAM
PHASE 3 REVERSE-AUCTION PROCESS

OVERVIEW

1. New York has developed rules for the auction of the CAF areas that fully comply with the FCC's New York CAF Auction Order.
2. The auction will be a simultaneous, technologically-neutral auction in which all technologies will be eligible to submit applications.
3. Per the Order, the rules will provide no "absolute preference" for any technology or speed.
4. The rules will also ensure the continued integrity of the New NY Broadband Program and the delivery of better, faster, and cheaper broadband service through alignment with the federal CAF program.
5. New York intends to issue its Request for Proposal Guidelines (Guidelines) governing the auction of the CAF areas shortly.

PROCEDURES

1. The auction is open to all technologies and entities that meet program requirements.
2. Bidders will submit applications in one of three service tiers in eligible census blocks.
3. All auction applications, regardless of technology, will be due on the same date.
4. All applications will be reviewed for conformity with the minimum eligibility requirements in the Guidelines, which are generally similar to prior funding rounds and include, without limitation, the following:
 - a. Rapid buildout timeline
 - b. Service geography
 - c. Internet speeds (download/upload) consistent with the specific service tiers, as outlined below
 - d. Technical validation of proposed broadband offering and actual download/upload speeds
 - e. Satisfaction of financial, management, funding eligibility criteria and other requirements as set forth in the Guidelines
 - f. Cost reasonableness
 - g. Satisfactory pricing tier – 25/4 Mbps for no more than \$60 per month, with no hard or soft data caps
 - i. 25/3 Mbps for applications in the Minimum Tier
5. All qualifying bids, regardless of technology or service tier, will then compete against one another in a simultaneous, single reverse-auction within the CAF areas. The auction database will rank the bids in ascending order by per-location State cost.

6. Consistent with the FCC's approach for the CAF Phase II auction, New York's auction will provide incentives for higher speeds and lower latency services. These services will receive notional bidding credits equal to a dollar amount calculated by multiplying (a) the bidding credit percentage in the respective service tier set forth below by (b) the auction reserve price. The auction reserve price will be defined as the highest award of state dollars granted in prior rounds of the New NY Broadband Program (on a per-location basis). These bidding credits will account for the benefits of higher speed, lower latency services while balancing these benefits against the State's desire to ensure that all unserved areas receive broadband services.
7. The specific requirements for each of the three service tiers and applicable bidding credits are as follows:

Tier	Speeds	Latency	Usage Allowance	Bidding Credit Percentage
Above Baseline	≥ 100 Mbps/20 Mbps	Low	Unlimited	85%
Baseline	$\geq 25/4$ Mbps	Low	Unlimited	50%
Minimum	$\geq 25/3$ Mbps	High	TBD	0%

- Low latency is ≤ 100 ms as measured in 95 percent of all peak periods
- High latency is ≤ 750 ms as measured in 95 percent of all peak periods

8. Upon completion of the auction, the bid with the lowest per-location State cost ranking in a particular CAF Census Block (regardless of technology or service tier) will be eligible for the funding, subject to compliance with the requirements of the New NY Broadband Program and applicable FCC regulations. Bids must also be approved by Empire State Development (ESD) as described in the Phase 3 Guidelines, including authorization of the award by ESD's Board of Directors. This would apply in the case of CAF Census Blocks receiving one or multiple bids.
9. All winning bids will be submitted to the FCC for review prior to funding award pursuant to the terms of the New York CAF Auction Order.
 - a. Such FCC review shall be completed within 10 business days.